

117TH CONGRESS
1ST SESSION

H. R. 6024

To establish an Employee Ownership and Participation Initiative, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 18, 2021

Mr. COURTNEY (for himself and Mr. POCAN) introduced the following bill; which was referred to the Committee on Education and Labor

A BILL

To establish an Employee Ownership and Participation Initiative, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Work Act”.

5 **SEC. 2. WORKER OWNERSHIP, READINESS, AND KNOWL-**
6 **EDGE.**

7 (a) DEFINITIONS.—In this section:

8 (1) EXISTING PROGRAM.—The term “existing
9 program” means a program, designed to promote
10 employee ownership and employee participation in

1 business decision making, that exists on the date on
2 which the Secretary is carrying out a responsibility
3 authorized under this section.

4 (2) INITIATIVE.—The term “Initiative” means
5 the Employee Ownership and Participation Initiative
6 established under subsection (b).

7 (3) NEW PROGRAM.—The term “new program”
8 means a program, designed to promote employee
9 ownership and employee participation in business de-
10 cision making, that does not exist on the date on
11 which the Secretary is carrying out a responsibility
12 authorized under this section.

13 (4) SECRETARY.—The term “Secretary” means
14 the Secretary of Labor.

15 (5) STATE.—The term “State” has the mean-
16 ing given the term under section 3 of the Workforce
17 Innovation and Opportunity Act (29 U.S.C. 3102).

18 (b) EMPLOYEE OWNERSHIP AND PARTICIPATION INI-
19 TIATIVE.—

20 (1) ESTABLISHMENT.—The Secretary of Labor
21 shall establish within the Department of Labor an
22 Employee Ownership and Participation Initiative to
23 promote employee ownership and employee participa-
24 tion in business decision making.

1 (2) FUNCTIONS.—In carrying out the Initiative,
2 the Secretary shall—

3 (A) support within the States existing pro-
4 grams designed to promote employee ownership
5 and employee participation in business decision
6 making; and

7 (B) facilitate within the States the forma-
8 tion of new programs designed to promote em-
9 ployee ownership and employee participation in
10 business decision making.

11 (3) DUTIES.—To carry out the functions enu-
12 merated in paragraph (2), the Secretary shall—

13 (A) support new programs and existing
14 programs by—

15 (i) making Federal grants authorized
16 under subsection (d); and

17 (ii)(I) acting as a clearinghouse on
18 techniques employed by new programs and
19 existing programs within the States, and
20 disseminating information relating to those
21 techniques to the programs; or

22 (II) funding projects for information
23 gathering on those techniques, and dis-
24 semination of that information to the pro-

1 grams, by groups outside the Department
2 of Labor; and

3 (B) facilitate the formation of new pro-
4 grams, in ways that include holding or funding
5 an annual conference of representatives from
6 States with existing programs, representatives
7 from States developing new programs, and rep-
8 resentatives from States without existing pro-
9 grams.

10 (c) PROGRAMS REGARDING EMPLOYEE OWNERSHIP
11 AND PARTICIPATION.—

12 (1) ESTABLISHMENT OF PROGRAM.—Not later
13 than 180 days after the date of enactment of this
14 Act, the Secretary shall establish a program to en-
15 courage new programs and existing programs within
16 the States to foster employee ownership and em-
17 ployee participation in business decision making
18 throughout the United States.

19 (2) PURPOSE OF PROGRAM.—The purpose of
20 the program established under paragraph (1) is to
21 encourage new and existing programs within the
22 States that focus on—

23 (A) providing education and outreach to
24 inform employees and employers about the pos-
25 sibilities and benefits of employee ownership,

1 business ownership succession planning, and
2 employee participation in business decision
3 making, including providing information about
4 financial education, employee teams, open-book
5 management, and other tools that enable em-
6 ployees to share ideas and information about
7 how their businesses can succeed;

8 (B) providing technical assistance to assist
9 employee efforts to become business owners, to
10 enable employers and employees to explore and
11 assess the feasibility of transferring full or par-
12 tial ownership to employees, and to encourage
13 employees and employers to start new em-
14 ployee-owned businesses;

15 (C) training employees and employers with
16 respect to methods of employee participation in
17 open-book management, work teams, commit-
18 tees, and other approaches for seeking greater
19 employee input; and

20 (D) training other entities to apply for
21 funding under this subsection, to establish new
22 programs, and to carry out program activities.

23 (3) PROGRAM DETAILS.—The Secretary may in-
24 clude, in the program established under paragraph
25 (1), provisions that—

- 1 (A) in the case of activities described in
2 paragraph (2)(A)—
3 (i) target key groups, such as retiring
4 business owners, senior managers, unions,
5 trade associations, community organiza-
6 tions, and economic development organiza-
7 tions;
8 (ii) encourage cooperation in the orga-
9 nization of workshops and conferences; and
10 (iii) prepare and distribute materials
11 concerning employee ownership and par-
12 ticipation, and business ownership succes-
13 sion planning;
14 (B) in the case of activities described in
15 paragraph (2)(B)—
16 (i) provide preliminary technical as-
17 sistance to employee groups, managers,
18 and retiring owners exploring the possi-
19 bility of employee ownership;
20 (ii) provide for the performance of
21 preliminary feasibility assessments;
22 (iii) assist in the funding of objective
23 third-party feasibility studies and prelimi-
24 nary business valuations, and in selecting

1 and monitoring professionals qualified to
2 conduct such studies; and

3 (iv) provide a data bank to help em-
4 ployees find legal, financial, and technical
5 advice in connection with business owner-
6 ship;

7 (C) in the case of activities described in
8 paragraph (2)(C)—

9 (i) provide for courses on employee
10 participation; and

11 (ii) provide for the development and
12 fostering of networks of employee-owned
13 companies to spread the use of successful
14 participation techniques; and

15 (D) in the case of training described in
16 paragraph (2)(D)—

17 (i) provide for visits to existing pro-
18 grams by staff from new programs receiv-
19 ing funding under this section; and

20 (ii) provide materials to be used for
21 such training.

22 (4) GUIDANCE.—The Secretary shall issue for-
23 mal guidance, for recipients of grants awarded under
24 subsection (d) and one-stop partners (as defined in
25 section 3 of the Workforce Innovation and Oppor-

1 tunity Act (29 U.S.C. 3102)) affiliated with the
2 workforce development systems (as so defined) of
3 the States, proposing that programs and other ac-
4 tivities funded under this section be—

5 (A) proactive in encouraging actions and
6 activities that promote employee ownership of,

7 and participation in, businesses; and

8 (B) comprehensive in emphasizing both
9 employee ownership of, and participation in,

10 businesses so as to increase productivity and

11 broaden capital ownership.

12 (d) GRANTS.—

13 (1) IN GENERAL.—In carrying out the program
14 established under subsection (c), the Secretary may
15 make grants for use in connection with new pro-
16 grams and existing programs within a State for any
17 of the following activities:

18 (A) Education and outreach as provided in
19 subsection (c)(2)(A).

20 (B) Technical assistance as provided in
21 subsection (c)(2)(B).

22 (C) Training activities for employees and
23 employers as provided in subsection (c)(2)(C).

24 (D) Activities facilitating cooperation
25 among employee-owned firms.

1 (E) Training as provided in subsection
2 (c)(2)(D) for new programs provided by partici-
3 pants in existing programs dedicated to the ob-
4 jectives of this section, except that, for each fis-
5 cal year, the amount of the grants made for
6 such training shall not exceed 10 percent of the
7 total amount of the grants made under this sec-
8 tion.

9 (2) AMOUNTS AND CONDITIONS.—The Sec-
10 retary shall determine the amount and any condi-
11 tions for a grant made under this subsection. The
12 amount of the grant shall be subject to paragraph
13 (6), and shall reflect the capacity of the applicant
14 for the grant.

15 (3) APPLICATIONS.—Each entity desiring a
16 grant under this subsection shall submit an applica-
17 tion to the Secretary at such time, in such manner,
18 and accompanied by such information as the Sec-
19 retary may reasonably require.

20 (4) STATE APPLICATIONS.—Each State may
21 sponsor and submit an application under paragraph
22 (3) on behalf of any local entity consisting of a unit
23 of State or local government, State-supported insti-
24 tution of higher education, or nonprofit organization,
25 meeting the requirements of this section.

1 (5) APPLICATIONS BY ENTITIES.—

2 (A) ENTITY APPLICATIONS.—If a State
3 fails to support or establish a program pursuant
4 to this section during any fiscal year, the
5 Secretary shall, in the subsequent fiscal years,
6 allow local entities described in paragraph (4)
7 from that State to make applications for grants
8 under paragraph (3) on their own initiative.

9 (B) APPLICATION SCREENING.—Any State
10 failing to support or establish a program pursuant
11 to this section during any fiscal year may
12 submit applications under paragraph (3) in the
13 subsequent fiscal years but may not screen applica-
14 tions by local entities described in para-
15 graph (4) before submitting the applications to
16 the Secretary.

17 (6) LIMITATIONS.—A recipient of a grant made
18 under this subsection shall not receive, during a fis-
19 cal year, in the aggregate, more than the following
20 amounts:

- 21 (A) For fiscal year 2022, \$300,000.
- 22 (B) For fiscal year 2023, \$330,000.
- 23 (C) For fiscal year 2024, \$363,000.
- 24 (D) For fiscal year 2025, \$399,300.
- 25 (E) For fiscal year 2026, \$439,200.

1 (7) ANNUAL REPORT.—For each year, each re-
2 cipient of a grant under this subsection shall submit
3 to the Secretary a report describing how grant funds
4 allocated pursuant to this subsection were expended
5 during the 12-month period preceding the date of
6 the submission of the report.

7 (e) EVALUATIONS.—The Secretary is authorized to
8 reserve not more than 10 percent of the funds appro-
9 priated for a fiscal year to carry out this section, for the
10 purposes of conducting evaluations of the grant programs
11 identified in subsection (d) and to provide related technical
12 assistance.

13 (f) REPORTING.—Not later than the expiration of the
14 36-month period following the date of enactment of this
15 Act, the Secretary shall prepare and submit to Congress
16 a report—

17 (1) on progress related to employee ownership
18 and participation in businesses in the United States;
19 and

20 (2) containing an analysis of critical costs and
21 benefits of activities carried out under this section.

22 (g) AUTHORIZATIONS OF APPROPRIATIONS.—

23 (1) IN GENERAL.—There are authorized to be
24 appropriated for the purpose of making grants pur-
25 suant to subsection (d) the following:

- 1 (A) For fiscal year 2022, \$4,000,000.
- 2 (B) For fiscal year 2023, \$7,000,000.
- 3 (C) For fiscal year 2024, \$10,000,000.
- 4 (D) For fiscal year 2025, \$13,000,000.
- 5 (E) For fiscal year 2026, \$16,000,000.

6 (2) ADMINISTRATIVE EXPENSES.—There are
7 authorized to be appropriated for the purpose of
8 funding the administrative expenses related to the
9 Initiative, for each of fiscal years 2022 through
10 2026, an amount not in excess of the lesser of—

- 11 (A) \$350,000; or
- 12 (B) 5.0 percent of the maximum amount
13 available under paragraph (1) for that fiscal
14 year.

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